

Panaji, 29th March, 1973 (Chaitra 8, 1895)

SERIES I No. 52

# OFFICIAL GAZETTE



## GOVERNMENT OF GOA, DAMAN AND DIU

### GOVERNMENT OF GOA, DAMAN AND DIU

Special Department

Notification

OSD/RRVS/30/66

In exercise of the powers conferred by the proviso to Article 309 of the Constitution, read with the Government of India, Ministry of External Affairs letter No. F.7(11)/62-Goa dated 25th July 1973 the Administrator of Goa, Daman and Diu is pleased to make the following rules amending the Goa Government, Excise Department, Superintendent of State Excise, Excise Officer and Class III (non-ministerial non-Gazetted posts) Recruitment rules 1966, issued under Notification dated 16th June 1966 published in Government Gazette Series I No. 18 dated 4th August 1966 read with Notification dated 7th December, 1966 published in Government Gazette Series I No. 38 dated 22nd December, 1966 and Notification No. OSD/RRVS/30/66 dated 23rd October, 1972 published in Government Gazette Series I No. 31 dated 2nd November, 1972 namely:—

1. *Short title and commencement.*—i. These rules may be called the Goa Government, Excise Department, Superintendent of State Excise, Excise Officer and Class III (non-ministerial non-Gazetted) posts Recruitment (third amendment) Rules 1973.

ii. They shall come into force at once.

2. In the schedule attached to the said Notification against the post of sub-Inspectors of Excise appearing at serial No. 1 for the existing entry in column 11 substitute:—

“Promotion:—Excise Guards and Lower Division Clerks of the Department, with 3 years service in the grade”.

By order and in the name of the Administrator of Goa, Daman and Diu.

M. K. Bhandare, Deputy Secretary (Appointments).

Panaji, 22nd March, 1973.

Law and Judicial Department

Notification

LD/499/73

The Indian Tariff (Amendment) Act, 1972 (73 of 1972), The Industrial Finance Corporation

(Amendment) Act (74 of 1972), The Industrial Development Bank of India (Amendment) Act, 1972 (75 of 1972), The Delimitation Act, 1972 (76 of 1972), The State Financial Corporations (Amendment) Act, 1972 which were recently passed by the Parliament and assented to by the President of India are hereby published for general information of the Public.

M. S. Borkar, Under Secretary (Law).

Panaji, 5th February, 1973.

The Indian Tariff (Amendment) Act, 1972

AN

ACT

*further to amend the Indian Tariff Act, 1934.*

Be it enacted by Parliament in the Twenty-third Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Indian Tariff (Amendment) Act, 1972.

(2) It shall come into force on the 1st day of January, 1973.

2. *Amendment of First Schedule.*—In the First Schedule to the Indian Tariff Act, 1934,—

32 of 1934.

(a) in Item No. 28(35),—

(i) in the second column headed “Name of article”, for the figure and word “2-amino-anthraquinone”, the figure, words and brackets “2-amino-anthraquinone (Beta-amino-anthraquinone)” shall be substituted;

(ii) in the last column headed “Duration of protective rates of duty”, for the figures “1972”, wherever they occur, the figures “1974” shall be substituted;

(b) in Items Nos. 28(36) and 28(37),—

(i) in the third column headed “Nature of duty”, for the word “Protective”, wherever it occurs, the word “Revenue” shall be substituted;

(ii) in the last column headed “Duration of protective rates of duty”, the entry “December 31st, 1972”, wherever it occurs, shall be omitted;

(c) for Item No. 28(38), the following Items shall be substituted namely:—

1	2	3	4	5	6	7-
"28(38)	The following dye-intermediates, namely,—					
	(1) Phenyl Peri Acid (Phenylamino naphthalene-8-sulphonic acid),					
	(2) Ortho Toluidine,					
	(3) Diethyl Meta Amino Phenol (Meta-diethylamino phenol),					
	(4) Diamino Stilbene Disulphonic Acid (4,4/diamino stilbene-2,2/-disulphonic acid)—					
	(a) of British manufacture;	Protective	90 per cent <i>ad valorem.</i>	..	..	December 31st, 1974
	(b) not of British manufacture.	Protective	100 per cent <i>ad valorem.</i>	..	..	December 31st, 1974
28(38A)	The following dye-intermediates, namely,—					
	(1) J. Acid (2-naphthylamine-5-hydroxy-7-sulphonic acid),					
	(2) 4-Chloro-2-Nitro Aniline,					
	(3) Para Anisidine,					
	(4) Para Toluidine —					
	(a) of British manufacture;	Protective	50 per cent <i>ad valorem.</i>	..	..	December 31st, 1974
	(b) not of British manufacture.	Protective	60 per cent <i>ad valorem.</i>	..	..	December 31st, 1974
28(38B)	Ortho-anisidine —					
	(a) of British manufacture;	Revenue	50 per cent <i>ad valorem.</i>	..	..	...
	(b) not of British manufacture.	Revenue	60 per cent <i>ad valorem.</i>	..	..	...";

(d) in Item No. 28(39),—

(i) in the second column headed "Name of article", for the brackets, figure and words "(4) Tobias Acid", the brackets, figures and words "(4) Tobias Acid (2-naphthylamine-1-sulphonic acid)" shall be substituted;

(ii) in the last column headed "Duration of protective rates of duty", for the figures "1972", wherever they occur, the figures "1974" shall be substituted;

(e) for Item No. 28(40) and the Note thereunder, the following Items shall be substituted, namely:—

1	2	3	4	5	6	7
"28(40)	The following dye-intermediates, namely,—					
	(1) M-nitro-aniline,					
	(2) M-nitro-p-toluidine (MNPT),					
	(3) Phenyl J. acid (2-phenyl-amino-5-naphthol-7-sulphonic acid or 2-phenyl-amino-5-hydroxy-naphthalene-7-sulphonic acid),					
	(4) 1: 5 di amino-anthraquinone,					
	(5) Schaeffer's acid (2-naphthol-6-sulphonic acid),					
	(6) M-chloro aniline,					
	(7) 2:5 dichloro aniline,					
	(8) 4-chloro-2-anisidine,					
	(9) 4-chloro-2-nitro anisole,					
	(10) O-nitro aniline,					
	(11) Para toluidine meta sulphonic acid,					
	(12) O-amino azo toluene (2,3/ dimethyl-4-amino-azo-benzene or 4-ortho-toluyazo-ortho-toluidine),					
	(13) R. salt (2-naphthol-3,6-disulphonic acid, Sodium salt),					
	(14) Benzoyl J-acid (2-Benzoyl amino 5-naphthol-7-sulphonic acid),					
	(15) P-nitrosophenol (1-hydroxy-4-nitro benzene),					
	(16) Dinitrostilbene disulphonic acid (4,4/- dinitro-stilbene-2,2/-disulphonic acid),					
	(17) Beta naphthalene thioglycolic acid (2-naphthyl thioglycolic acid),					
	(18) 4-chloro-o-toluidine,					

1	2	3	4	5	6	7
	(19) 1-Amino-6-nitro-2-naphthol-4-sulphonic acid,					
	(20) Para nitro toluene sulphonic acid or para-nitro toluene-ortho-sulphonic acid (toluene-4-nitro-2-sulphonic acid or benzene-1-methyl-4-nitro-2-sulphonic acid) —					
	(a) of British manufacture;	Protective	50 per cent <i>ad valorem.</i>	..	..	December 31st, 1974
	(b) not of British manufacture.	Protective	60 per cent <i>ad valorem.</i>	..	..	December 31st, 1974
28(40)A)	The following dye-intermediates, namely,—					
	(1) Metanilic acid,					
	(2) Quinizarine					
	(1,4-dihydroxy-anthraquinone) —					
	(a) of British manufacture;	Protective	90 per cent <i>ad valorem.</i>	..	..	December 31st, 1974
	(b) not of British manufacture.	Protective	100 per cent <i>ad valorem.</i>	..	..	December 31st, 1974
28(40B)	The following dye-intermediates, namely,—					
	(1) 1-amino-anthraquinone,					
	(2) 2:6 diamino-anthraquinone,					
	(3) O-chloro aniline,					
	(4) P-chloro aniline,					
	(5) O-nitro anisole,					
	(6) P-nitro anisole,					
	(7) 5-chloro-o-toluidine,					
	(8) 1:4 diamino anthraquinone,					
	(9) 1-chloro anthraquinone,					
	(10) Peri acid,					
	(11) 2:5 dimethyl-4-chloro-phenyl thioglycolic acid,					
	(12) Amino Iso G-acid,					
	(13) Anthraquinone-1-sulphonic acid sodium salt —					
	(a) of British manufacture;	Revenue	50 per cent <i>ad valorem.</i>	..	..	...
	(b) not of British manufacture.	Revenue	60 per cent <i>ad valorem.</i>	..	..	...
28(41)	The following dye-intermediates, namely,—					
	(1) Chicago acid,					
	(2) G-Salt,					
	(3) Gamma acid,					
	(4) H. Acid,					
	(5) J-Acid urea,					
	(6) Meta-toluylene diamine,					
	(7) Meta-phenylene diamine,					
	(8) Neville Winther acid,					
	(9) Para Nitro aniline,					
	(10) Rhoduline acid,					
	(11) Sulphanilic acid,					
	(12) Sodium naphthionate/naphthionic acid,					
	(13) 2 : 5-dichloro nitro benzene,					
	(14) Dimethyl sulphate,					
	(15) Beta Naphthol,					
	(16) Aceto acetic ester (ethyl/methyl),					
	(17) Trichloro benzene,					
	(18) Benzidine sulphate/Benzidine dihydro chloride,					
	(19) Dimethylaniline —					
	(a) of British manufacture;	Protective	50 per cent <i>ad valorem.</i>	..	..	December 31st, 1974
	(b) not of British manufacture.	Protective	60 per cent <i>ad valorem.</i>	..	..	December 31st, 1974

# The Industrial Finance Corporation (Amendment) Act, 1972

## AN ACT

*further to amend the Industrial Finance Corporation Act, 1948.*

Be it enacted by Parliament in the Twenty-third Year of the Republic of India as follows:—

1. **Short title.**— This Act may be called the Industrial Finance Corporation (Amendment) Act, 1972.

2. **Amendment of section 2.**— In section 2 of the Industrial Finance Corporation Act, 1948 (hereinafter referred to as the principal Act),—

(a) after clause (b), the following clause shall be inserted, namely:—

“(ba) “Court” means the High Court (or where there is no High Court and the powers of the High Court are exercised by the Court of Judicial Commissioner, such Court) within the local limits of whose jurisdiction the defendant or respondent carries on the whole or a substantial part of his business, and where the Central Government has, by notification in the Official Gazette and subject to such restrictions, limitations and conditions as it thinks fit, empowered any Court of civil jurisdiction subordinate to the High Court to exercise all or any of the powers conferred by this Act, such Court;”;

(b) in clause (c), for the words “any public limited company”, the words “any limited company” shall be substituted;

(c) after clause (f), the following clause shall be inserted, namely:—

“(ff) “State co-operative bank” has the same meaning as in the Reserve Bank of India Act, 1934;” 2 of 1934.

3. **Amendment of section 4.**— In section 4 of the principal Act,—

(a) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) On and from the commencement of the Industrial Finance Corporation (Amendment) Act, 1972, the authorised capital of the Corporation shall stand increased to twenty crores of rupees, divided into forty thousand shares of five thousand rupees each, and the shares representing the capital so increased may be issued, with the sanction of the Central Government, as and when the Corporation may deem fit.”;

(b) in sub-section (7), after the words “the Development Bank”, the words “the Reserve Bank” shall be inserted.

4. **Amendment of section 10A.**— In section 10A of the principal Act, in sub-section (4), the words “Central Committee” wherever they occur shall, subject to such grammatical variations and omission of cognate expressions as may be necessary, be omitted.

5. **Amendment of section 11.**— In section 11 of the principal Act, in sub-section (4), for the words “the Central Committee or any other Committee”, the words “any Committee” shall be substituted.

6. **Omission of section 14.**— Section 14 of the principal Act shall be omitted.

7. **Amendment of section 17.**— In section 17 of the principal Act,—

(a) in sub-section (1), the words “and of the Central Committee” shall be omitted;

(b) in sub-section (2),—

(i) the brackets and letter “(a)” shall be omitted;

(ii) sub-clause (b) shall be omitted;

(c) in sub-section (3), for the words “or of the Central Committee, each Director or member of the Committee, as the case may be,” the words “each Director” shall be substituted;

(d) for sub-section (5), the following sub-section shall be substituted, namely:—

“(5) If for any reason the Chairman is unable to be present at a meeting of the Board, a Director authorised by the Chairman in writing in this behalf, shall preside at that meeting and in default of such authorisation, the Board may elect a Director to preside at that meeting.”.

8. **Amendment of section 20.**— In section 20 of the principal Act, the words “and the Corporation may also subscribe to, or purchase, the shares of any financial institution which the Central Government may, in consultation with the Development Bank, notify in this behalf” shall be added at the end.

9. **Amendment of section 21.**— In section 21 of the principal Act,—

(a) in the proviso to sub-section (1), for the words “shall not at any time exceed ten times the amount of the paid-up share capital and the reserve fund of the Corporation”, the words, figures, letters and brackets “shall not at any time exceed ten times of such amount as is the aggregate of the paid-up share capital, the reserve fund established under sub-section (1) of section 32, the special reserve fund established under section 32A, the benevolent reserve fund established under section 32B and any other reserves of the Corporation (not being reserves for bad and doubtful debts or for depreciation of assets or a reserve created or maintained to meet any specific contingency)” shall be substituted;

(b) to sub-section (2), the following proviso shall be added, namely:—

“Provided that no such guarantee by the Central Government shall be required in respect of such bonds and debentures of the Corporation as are issued to the Development Bank.”;

(c) in the proviso to sub-section (4), for the words “shall not at any time in the aggregate exceed ten times the amount of the paid-up share capital and the reserve fund of the Corporation”, the words “shall not at any time exceed, in the aggregate, the limit specified in the proviso to sub-section (1)” shall be substituted.

10. **Insertion of new sections 21A and 21B.**— After section 21 of the principal Act, the following sections shall be inserted, namely:—

“21A. Bonds and debentures to be approved securities.— Notwithstanding anything contained in any other

law for the time being in force, the bonds and debentures issued or sold by the Corporation shall be, and shall be deemed always to have been, approved securities for the purpose of the Indian Trusts Act, 1882, the Insurance Act, 1938, and the Banking Regulation Act, 1949.

2 of 1882.

4 of 1938.

10 of 1949.

**21B. Power to transfer rights.**—The rights and interests of the Corporation (including any other rights incidental thereto) in relation to any loan or advance granted, or any amount recoverable, by it may be transferred by the Corporation, either in whole or in part, by the execution or issue of any instrument, or by the transfer of any instrument by endorsement or in any other manner in which the rights and interests in relation to such loan or advance may be lawfully transferred, and the Corporation may, notwithstanding such transfer, act as the trustee for the transferee.”

**11. Amendment of section 23.**—In section 23 of the principal Act,—

(a) in sub-section (1),—

(i) in clause (b), the proviso shall be omitted.

(ii) in clause (d), the words “and retaining as part of its assets, any stocks, shares, bonds or debentures which it may have to take up in fulfilment of its obligations thereto” shall be inserted at the end;

(iii) after clause (d), the following clause shall be inserted, namely:—

“(da) transferring for consideration any instrument relating to loans and advances granted by it to industrial concerns;”;

(iv) clause (h) shall be omitted;

(v) in clause (i),—

(a) in the proviso, for the words “which may at the option of the Corporation be convertible”, the words “the amounts outstanding thereon may be convertible at the option of the Corporation” shall be substituted;

(b) after the proviso, the following *Explanation* shall be inserted, namely:—

*Explanation.*—In this clause, the expression “the amounts outstanding thereon”, used in relation to any loan or advance, shall mean the principal, interest and other charges payable on such loan or advance as at the time when the amounts are sought to be converted into stocks or shares;”;

(vi) in clause (ii), the word “and” occurring at the end shall be omitted;

(vii) after clause (ii) as so amended, the following clause shall be inserted, namely:—

“(iii) doing any kind of business which the Central Government may, on the recommendation of the Development Bank, authorise; and”;

(b) in sub-section (2),—

(i) for the words, brackets, letters and figure “No accommodation shall be given under clauses (a), (b), (c) and (i) of sub-section (1), unless it is secured by a sufficient”, the words, brackets, letters and figure “In granting accommodation under clause (a), clause (b), clause (c) or clause

(i) of sub-section (1), the Corporation may have it secured by” shall be substituted;

(ii) for the words “or unless it is guaranteed”, the words “or may have it guaranteed” shall be substituted.

**12. Amendment of section 24.**—In section 24 of the principal Act, for the words “with a single industrial concern for an amount exceeding two crores of rupees in the aggregate”, the words “with any single industrial concern for an amount which, together with the amount outstanding in respect of any arrangement already entered into by the Corporation with that concern, exceeds two crores of rupees in the aggregate” shall be substituted.

**13. Amendment of section 25.**—In section 25 of the principal Act, for sub-section (2), the following sub-sections shall be substituted, namely:—

“(2) Where any arrangement entered into by the Corporation with an industrial concern provides for the appointment by the Corporation of one or more Directors of such industrial concern, such provision and any appointment of Directors made in pursuance thereof shall be valid and effective notwithstanding anything to the contrary contained in the Companies Act, 1956, or in any other law for the time being in force or in the memorandum, articles of association or any other instrument relating to the industrial concern, and any provision regarding share qualification, age limit, number of directorships, removal from office of Directors and such like conditions contained in any such law or instrument aforesaid, shall not apply to any Director appointed by the Corporation in pursuance of the arrangement as aforesaid.

1 of 1956.

(3) Any Director appointed in pursuance of sub-section (2) shall—

(a) hold office during the pleasure of the Corporation and may be removed or substituted by any person by order in writing by the Corporation;

(b) not incur any obligation or liability by reason only of his being a Director or for anything done or omitted to be done in good faith in the discharge of his duties as a Director or anything in relation thereto;

(c) not be liable to retirement by rotation and shall not be taken into account for computing the number of Directors liable to such retirement.”

**14. Amendment of section 26.**—Section 26 of the principal Act shall be re-numbered as sub-section (1) of that section and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

“(2) The Corporation shall not enter into any kind of business with any industrial concern of which any of the Directors of the Corporation is a Director, manager, agent, employee or guarantor

or in which one or more Directors of the Corporation together hold substantial interest:

Provided that this sub-section shall not apply to any industrial concern if any Director of the Corporation —

(i) is nominated as a Director on the board of such concern by Government, or a Government company as defined in section 617 of the Companies Act, 1956, or by a Corporation established by any other law, or

1 of 1956.

(ii) is elected on the Board of such concern by virtue of shares held in the concern by Government, or a Government company as defined in section 617 of the Companies Act, 1956, or by a Corporation established by any other law,

1 of 1956.

by reason only of such nomination or election, as the case may be.

*Explanation.* — “Substantial interest”, in relation to an industrial concern, means the beneficial interest held by one or more of the Directors of the Corporation or by any relative [as defined in clause (41) of section 2 of the Companies Act, 1956] of such Director, whether singly or taken together, in the shares of the industrial concern, the aggregate amount paid-up on which either exceeds five lakhs of rupees or five per cent, of the paid-up share capital of the industrial concern, whichever is less.

1 of 1956.

(3) The provisions of sub-section (2) —

(i) shall not apply to any transaction relating to the business entered into prior to the commencement of the Industrial Finance Corporation (Amendment) Act, 1972, and all such business and any transaction in relation thereto may be implemented or continued as if that Act had not come into force;

(ii) shall apply only so long as the conditions precedent to such disability as set out in the said sub-section continue.

**15. Amendment of section 27.** — In section 27 of the principal Act, for sub-section (3) and sub-section (4), the following sub-sections shall be substituted, namely: —

“(3) All loans and advances granted to industrial concerns by the Corporation out of foreign currency borrowed under sub-section (1) shall be expressed in terms of foreign currency as equivalent of Indian currency, calculated in accordance with the rate of exchange prevailing at the time of grant thereof, and the amount due thereunder shall be repayable in equivalent Indian currency, calculated in accordance with the rate of exchange prevailing at the time of repayment of such loan or advance.

(4) Any loss or profit in connection with any borrowing of foreign currency under sub-section (1) for the purpose of granting loans and advances under this Act or with its repayment to the concerned foreign lending agency, on account of

may fluctuations in the rate of exchange accruing —

(a) during the period within which the loan or advance is repayable by the industrial concern or the period of actual repayment thereof by the concern, whichever is longer, shall be reimbursed by, or paid to, as the case may be, the recipients of such loans and advances;

(b) after the expiry of the period specified in clause (a), —

(i) shall be borne by the Corporation in respect of normal market fluctuations in foreign exchange;

(ii) shall be reimbursed by, or paid to as the case may be, the Central Government in respect of fluctuations other than the normal market fluctuations in foreign exchange.

*Explanation.* — If any question arises as to whether any fluctuation as aforesaid is a normal market fluctuation or not, the same shall be decided by the Central Government whose decision thereon shall be final.”

**16. Amendment of section 28.** — In section 28 of the principal Act, —

(a) in sub-section (1), —

(i) after the words “of any loan or advance or any instalment thereof”, the words “or in meeting its obligations in relation to any guarantee given by the Corporation” shall be inserted;

(ii) for the words “right to take over the management of the concern”, the words “right to take over the management, or possession, or both, of the concern” shall be substituted;

(b) in sub-section (3A), —

(i) for the words “Where the management of an industrial concern is taken over by the Corporation or any property is transferred and realised by it”, the words “Where any action has been taken against an industrial concern” shall be substituted;

(ii) for the words “as incidental to such management, or transfer and realisation”, the words “as incidental thereto” shall be substituted;

(iii) after the words “which is received by it”, the words “from such management, or transfer and realisation” shall be omitted;

(c) in sub-section (4), after the words “over the management”, the words “or possession” shall be inserted.

**17. Amendment of section 30.** — In section 30 of the principal Act, —

(a) in sub-section (1), —

(i) after the words “any default in repayment of any loan or advance or any instalment thereof”, the words “or in meeting its obligations in relation to the guarantee given by the Corporation” shall be inserted;

(ii) for the words “the District Judge within the local limits of whose jurisdiction the industrial concern carries on the whole or a substantial part of its business”, the words “the Court” shall be substituted;

(b) in sub-sections (3) to (9), for the words "the District Judge", wherever they occur, the words "the Court" shall be substituted;

(c) in sub-section (9) as so amended, in the second proviso, for the words "unless the High Court otherwise directs", the words "unless the Court empowered to hear appeals from the decisions of the said Court otherwise directs" shall be substituted;

(d) in sub-section (11), for the words "appeal to the High Court, and upon such appeal, the High Court may", the words "appeal to the Court empowered to hear appeals from the decisions of the Court which passed the order and the appellate Court may" shall be substituted;

(e) sub-section (13) shall be omitted;

(f) after sub-section (13) as so omitted, the following sub-sections shall be inserted, namely:—

"(14) For the removal of doubts, it is hereby declared that any Court competent to grant an *ad interim* injunction under this section shall also have the power to appoint a receiver and to exercise all other powers incidental thereto.

(15) All proceedings (whether by way of suits or appeals or other proceedings) under this Act pending before a District Judge or an Additional District Judge or a High Court at the commencement of the Industrial Finance Corporation (Amendment) Act, 1972, shall, on such commencement, be proceeded with and disposed of as if this section had not been amended by the said Act.

(16) Every suit or other proceedings which are disposed of in accordance with the provisions contained in sub-section (15) or in respect of which time for appeal has not expired at the commencement of the Industrial Finance Corporation (Amendment) Act, 1972, may, on such commencement, be appealed against as if this section had not been amended by the said Act."

**18. Amendment of section 32.**—In section 32 of the principal Act, in sub-section (2), the second proviso shall be omitted.

**19. Insertion of new section 32B.**—After section 32A of the principal Act, the following section shall be inserted, namely:—

"32B. **Benevolent reserve fund.**—(1) The Corporation shall establish a special fund, to be called the benevolent reserve fund.

(2) To the benevolent reserve fund shall be credited,—

(a) any part of the annual profit which may, from time to time, be allocated to the fund;

(b) all amounts received for the purposes of the fund by way of loans, gifts, grants, donations or benefactions from Government or any other source;

(c) income or profits from investments made from the fund;

(d) income accruing or arising to the fund by way of interest or otherwise.

(3) The benevolent reserve fund shall be used by the Corporation—

(a) for meeting the cost of feasibility studies, project reports, market and techno-economic surveys and such other purposes which, in the opinion of the Corporation, may promote the development of industries.

(b) in the field of development banking and in financial and industrial management—

(i) for undertaking and promoting research;

(ii) for training in India or abroad of personnel of financial institutions; and

(iii) for creating chairs in universities, academic institutions and research foundations;

(c) for assisting projects promoted by technologists and new entrepreneurs—

(i) by subsidising the normal lending rate of interest of the Corporation in respect of loans or advances sanctioned to them;

(ii) by providing technical and managerial assistance to projects promoted by them especially in less industrially developed regions;

(d) for rendering any assistance that may be ancillary or incidental to the aforementioned purposes."

**20. Amendment of section 39.**—In section 39 of the principal Act, after the words "Every Director," the words "member of any Advisory or other Committee," shall be inserted.

**21. Amendment of section 43.**—In section 43 of the principal Act,—

(a) in sub-section (1), for the words "after consultation with the Development Bank and with the previous sanction of the Central Government", the words "with the previous approval of the Development Bank" shall be substituted;

(b) in sub-section (2), in clause (e), for the words "Board and of the Central Committee," the word "Board," shall be substituted;

(c) sub-section (3) shall be omitted.

The Industrial Development Bank of India (Amendment)  
Act, 1972

AN

ACT

to amend the Industrial Development Bank of India Act, 1964.

Be it enacted by Parliament in the Twenty-third Year of the Republic of India as follows:—

**1. Short title.**—This Act may be called the Industrial Development Bank of India (Amendment) Act, 1972.

**2. Amendment of section 2.**—In section 2 of the Industrial Development Bank of India Act, 1964 (hereinafter referred to as the principal Act),—

(a) in clause (c), the words "or in the maintenance, repair, testing or servicing of machinery



of any description or vehicles or vessels or motor-boats or trailers or tractors, or in fishing, or in providing shore facilities for fishing or maintenance thereof" shall be added at the end;

(b) in clause (i), for the word "Madras", the words "Tamil Nadu" shall be substituted.

**3. Amendment of section 9.**—In section 9 of the principal Act, in sub-section (1),—

(a) in clause (a),—

(i) in sub-clause (i),—

(1) after the words "any loans or advances granted to industrial concerns", the brackets and words "(including concerns engaged or to be engaged in the development of any contiguous area of land as an industrial estate)" shall be inserted;

(2) for the words "on the expiry of not less than three years and not more than twenty-five years", the words "within a period not exceeding twenty-five years" shall be substituted;

(ii) in sub-clause (ii),—

(1) after the words "any loans or advances granted to industrial concerns", the brackets and words "(including concerns engaged or to be engaged in the development of any contiguous area of land as an industrial estate)" shall be inserted;

(2) for the words "on the expiry of not less than three years and not more than ten years", the words "within a period not exceeding fifteen years" shall be substituted;

(iii) in sub-clause (iii),—

(1) after the words "any loans or advances granted to industrial concerns", the brackets and words "(including concerns exporting products of industrial concerns)" shall be inserted;

(2) for the words "and are repayable on the expiry of not less than six months and not more than ten years", the words, brackets and letters "or the execution of any turnkey project outside India by any industrial concern as aforesaid or by any person in India, and, in any case, are repayable—

(i) within a period not exceeding twelve years in the case of persons outside India, and

(ii) within a period not exceeding fifteen years in other cases,"

shall be substituted;

(b) in clause (b), for the words "promissory notes of industrial concerns", the words "promissory notes made, drawn, accepted or endorsed by industrial concerns or by any person selling capital goods manufactured by one industrial concern to another industrial concern" shall be substituted;

(c) in clause (c), for the words "any other financial institution", the words "any other financial institution, whether within or outside India," shall be substituted;

(d) in clause (d),—

(i) in the proviso, for the words "which may at the option of the Development Bank be

convertible", the words "the amounts outstanding thereon may be convertible at the option of the Development Bank" shall be substituted;

(ii) after the proviso, the following *Explanation* shall be inserted, namely:—

*Explanation.*—In this clause, the expression "the amounts outstanding thereon" used in relation to any loan or advance, shall mean the principal, interest and other charges payable on such loan or advance as at the time when the amounts are sought to be converted into stocks or shares;.

(e) after clause (d) and the *Explanation* thereto, the following clauses shall be inserted, namely:—

"(da) granting loans and advances—

(i) to any person exporting products of industrial concerns; or

(ii) to any person outside India, in connection with the export of capital goods from India; or

(iii) for the execution of turn-key projects outside India by any industrial concern or by any person in India;

(db) transferring for consideration any instrument relating to loans and advances granted by it to industrial concerns;"

(f) after clause (k), the following clause shall be inserted, namely:—

"(ka) acting as agent of—

(i) the Central Government or of the Reserve Bank, or

(ii) such other Government or person as the Central Government, on the recommendation of the Reserve Bank, may authorise;"

**4. Insertion of new section 9A.**—After section 9 of the principal Act, the following section shall be inserted, namely:—

**9A. Prohibited business.**—(1) The Development Bank shall not enter into any kind of business with any industrial concern, of which any of the directors of the Development Bank is a proprietor, partner, director, manager, agent, employee or guarantor, or in which one or more directors of the Development Bank together hold substantial interest:

Provided that this sub-section shall not apply to any industrial concern if any director of the Development Bank—

(i) is nominated as a director of the Board of such concern by Government, or a Government company as defined in section 617 of the Companies Act, 1956, or by a Corporation established by any other law;

1 of 1956.

(ii) is elected on the Board of such concern by virtue of shares held in the concern by Government, or a Government company as defined in section 617 of the Companies Act, 1956, or by a Corporation established

1 of 1956.

by reason only of such nomination or election, as the case may be.



*Explanation.* — “Substantial interest”, in relation to an industrial concern, means the beneficial interest held by one or more of the directors of the Development Bank or by any relative [as defined in clause (41) of section 2 of the Companies Act, 1956] of such director, whether singly or taken together, in the shares of the industrial concern, the aggregate amount paid up on which either exceeds five lakhs of rupees or five per cent of the paid-up share capital of the industrial concern, whichever is the lesser.

1 of 1956.

(2) The provisions of sub-section (1) —

(i) shall not apply to any industrial concern as specified therein if the Development Bank is satisfied that it is necessary in the public interest to enter into business with that concern, and entering into any kind of business with such industrial concern shall be in accordance with and subject to such conditions and limitations as may be prescribed;

(ii) shall not apply to any transaction relating to the business entered into prior to the commencement of the Industrial Development Bank of India (Amendment) Act, 1972, and all such business and any transaction in relation thereto may be implemented or continued as if that Act had not come into force;

(iii) shall apply only so long as the conditions precedent to such disability as set out in the said sub-section continue.

5. Insertion of new section 11A. — After section 11 of the principal Act, the following section shall be inserted, namely: —

“11A. Power to transfer rights. — The rights and interests of the Development Bank (including any other rights incidental thereto) in relation to any loan or advance granted, or any amount recoverable, by it may be transferred by the Development Bank, either to whole or in part, by the execution or issue of any instrument or by the transfer of any instrument by endorsement, or in any other manner in which the rights and interests in relation to such loan or advance may be lawfully transferred, and the Development Bank may, notwithstanding such transfer, act as the trustee for the transferee.”

6. Amendment of section 12. — In section 12 of the principal Act, for sub-section (3) and sub-section (4), the following sub-sections shall be substituted namely: —

“(3) All loans and advances granted by the Development Bank out of foreign currency borrowed under sub-section (1) shall be expressed in terms of foreign currency as equivalent of Indian currency, calculated in accordance with the rate of exchange prevailing at the time of grant thereof, and the amount due thereunder shall be repayable in equivalent Indian currency, calculated in accordance with the rate of exchange prevailing at the time of repayment of such loan or advance.

(4) Any loss or profit in connection with any borrowing of foreign currency under sub-section (1) for the purpose of granting loans and

advances under this Act or with its repayment to the concerned foreign lending agency, on account of any fluctuations in the rate of exchange accruing —

(a) during the period within which the loan or advance is repayable by the industrial concern or the period of actual repayment thereof by the concern, whichever is longer, shall be reimbursed by, or paid to, as the case may be, the recipients of such loans and advances;

(b) after the expiry of the period specified in clause (a) —

(i) shall be borne by the Development Bank in respect of normal market fluctuations in foreign exchange;

(ii) shall be reimbursed by, or paid to, as the case may be, the Central Government in respect of fluctuations other than the normal market fluctuations in foreign exchange.

*Explanation.* — If any question arises as to whether any fluctuation as aforesaid is a normal market fluctuation or not, the same shall be decided by the Central Government whose decision thereon shall be final.”

7. Insertion of new section 30A. — After section 30 of the principal Act, the following section shall be inserted, namely: —

“30A. Arrangement with Development Bank on appointment of directors to prevail. — (1) Where any arrangement entered into by the Development Bank with an industrial concern provides for the appointment by the Development Bank of one or more directors of such industrial concern, such provision and any appointment of directors made in pursuance thereof shall be valid and effective notwithstanding anything to the contrary contained in the Companies Act, 1956, or in any other law for the time being in force or in the memorandum, articles of association or any other instrument relating to the industrial concern, and any provision regarding share qualification, age-limit, number of directorships, removal from office of directors and such like conditions contained in any such law or instrument aforesaid, shall not apply to any director appointed by the Development Bank in pursuance of the arrangement as aforesaid.

1 of 1956.

(2) Any director appointed as aforesaid shall —

(a) hold office during the pleasure of the Development Bank and may be removed or substituted by any person by order in writing of the Development Bank;

(b) not incur any obligation or liability by reason only of his being a director or for anything done or omitted to be done in good faith in the discharge of his duties as a director or anything in relation thereto;

(c) not be liable to retirement by rotation and shall not be taken into account for computing the number of directors liable to such retirement.”

8. **Amendment of section 37.**—In section 37 of the principal Act, in sub-section (2), after clause (d), the following clause shall be inserted, namely:—

“(da) entering into business with industrial concern specified in sub-section (1) of section 9A and the conditions and limitations in regard thereto;”.

### The Delimitation Act, 1972

#### AN ACT

*to provide for the readjustment of the allocation of seats in the House of the People to the States, the total number of seats in the Legislative Assembly of each State, the division of each State and each Union territory having a Legislative Assembly and the Union territory of Delhi into territorial constituencies for elections to the House of the People and Legislative Assemblies of the States and Union territories and Metropolitan Council of Delhi and for matters connected therewith.*

Be it enacted by Parliament in the Twenty-third Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Delimitation Act, 1972.

2. **Definitions.**—In this Act, unless the context otherwise requires,—

(a) “article” means an article of the Constitution;

(b) “associate member” means a member nominated under section 5;

(c) “Commission” means the Delimitation Commission constituted under section 3;

(d) “Legislative Assembly” includes the Metropolitan Council of Delhi;

(e) “latest census figures” mean the census figures as ascertained at the census held in 1971;

(f) “member” means a member of the Commission and includes the Chairman;

(g) “State” includes a Union territory having a Legislative Assembly but does not include the State of Jammu and Kashmir.

3. **Constitution of Delimitation Commission.**—(1) As soon as may be after the commencement of this Act, the Central Government shall constitute a Commission to be called the Delimitation Commission which shall consist of three members as follows:—

(a) two members, each of whom shall be a person who is or has been a Judge of the Supreme Court or of a High Court, to be appointed by the Central Government; and

(b) the Chief Election Commissioner, *ex officio*.

(2) The Central Government shall nominate one of the members appointed under clause (a) of sub-section (1) to be the Chairman of the Commission.

4. **Duties of the Commission.**—It shall be the duty of the Commission to readjust on the basis of the latest census figures the allocation of seats in the House of the People to the several States, the total

number of seats in the Legislative Assembly of each State and the division of each State into territorial constituencies for the purpose of elections to the House of the People and to the State Legislative Assembly:

Provided that where on such readjustment only one seat is allocated in the House of the People to a State, the whole of that State shall form one territorial constituency for the purpose of elections to the House of the People from that State:

Provided further that it shall not be necessary for the Commission to readjust the allocation of seats in the House of the People to any Union territory or the total number of seats in the Legislative Assembly of any of the Union territories of Goa, Daman and Diu, Pondicherry and Mizoram or the total number of seats in the Metropolitan Council of the Union territory of Delhi.

5. **Associate members.**—(1) The Commission shall associate with itself for the purpose of assisting it in its duties in respect of each State, ten persons five of whom shall be members of the House of the People representing that State and five shall be members of the Legislative Assembly of that State:

Provided that where the number of members of the House of the People representing any State is five or less, than all such members shall be the associate members for that State and in the latter case the total number of associate members shall be less than ten by such number as by which the total number of members of the House of the People representing that State is less than five.

(2) The persons to be so associated from each State shall be nominated, in the case of members of the House of the People, by the Speaker of that House, and in the case of members of a Legislative Assembly, by the Speaker of that Assembly, having due regard to the composition of the House or, as the case may be, of the Assembly.

(3) The first nominations to be made under sub-section (2) —

(a) shall be made by the Speakers of the several Legislative Assemblies within one month, and by the Speaker of the House of the People within two months, of the commencement of this Act, and

(b) shall be communicated to the Chief Election Commissioner, and where the nominations are made by the Speaker of a Legislative Assembly, also to the Speaker of the House of the People.

(4) None of the associate members shall have a right to vote or to sign any decision of the Commission.

6. **Casual vacancies.**—If owing to death or resignation the office of the Chairman or of a member or of an associate member falls vacant, it shall be filled as soon as may be practicable by the Central Government or the Speaker concerned under and in accordance with the provisions of section 3, or, as the case may be, of section 5.

7. **Procedure and powers of the Commission.**—(1) The Commission shall determine its own procedure and shall in performance of its functions have all the powers of a civil court under the Code

of Civil Procedure, 1908, while trying a 5 of 1908. suit, in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of witnesses;

(b) requiring the production of any document; and

(c) requisitioning any public record from any court or office.

(2) The Commission shall have power to require any person to furnish any information on such points or matters as in the opinion of the Commission may be useful for, or relevant to, any matter under the consideration of the Commission.

(3) The Commission may authorise any of its members to exercise any of the powers conferred on it by clauses (a) to (c) of sub-section (1) and sub-section (2), and any order made or act done in exercise of any of those powers by the member authorised by the Commission in that behalf shall be deemed to be the order or act, as the case may be, of the Commission.

(4) If there is a difference of opinion among the members, the opinion of the majority shall prevail, and acts and orders of the Commission shall be expressed in terms of the views of the majority.

(5) The Commission as well as any group of associate members shall have power to act notwithstanding the temporary absence of a member or associate member or the existence of a vacancy in the Commission or in that or any other group of associate members; and no act or proceeding of the Commission or of any group of associate members shall be invalid or called in question on the ground merely of such temporary absence or of the existence of such vacancy.

(6) The Commission shall be deemed to be a civil court for the purposes of sections 480 and 482 of the Code of Criminal Procedure, 1898. 5 of 1898.

*Explanation.*—For the purposes of enforcing the attendance of witnesses, the local limits of the jurisdiction of the Commission shall be the limits of the territory of India.

**8. Readjustment of number of seats.**—The Commission shall, on the basis of the latest census figures and having regard to the provisions of articles 81, 170, 330 and 332, and also, in relation to the State of Nagaland clause (2) (h) of article 371A and sub-section (1) of section 11 of the State of Nagaland Act, 1962, in relation to the Union territories except Delhi sections 3 and 39 of the Government of Union Territories Act, 1963 and in relation to the Union territory of Delhi section 3 and sub-section (1) of section 4 of the Delhi Administration Act, 1966, 27 of 1962. 20 of 1963. 19 of 1966. by order determine—

(a) the number of seats in the House of the People to be allocated to each State and the number of seats, if any, to be reserved for the Scheduled Castes and for the Scheduled Tribes of the State; and

(b) the total number of seats to be assigned to the Legislative Assembly of each State and the number of seats, if any, to be reserved for the Scheduled Castes and for the Scheduled Tribes of the State;

Provided that the total number of seats assigned to the Legislative Assembly of any State under clause (b) shall be an integral multiple of the number of seats in the House of the People allocated to that State under clause (a).

**9. Delimitation of constituencies.**—(1) The Commission shall, in the manner herein provided, then distribute the seats in the House of the People allocated to each State and the seats assigned to the Legislative Assembly of each State to single-member territorial constituencies and delimit them on the basis of the latest census figures, having regard to the provisions of the Constitution and the provisions of the Acts specified in section 8 and also to the following provisions, namely:—

(a) all constituencies shall, as far as practicable, be geographically compact areas, and in delimiting them regard shall be had to physical features, existing boundaries of administrative units, facilities of communication and public convenience;

(b) every assembly constituency shall be so delimited as to fall wholly within one parliamentary constituency;

(c) constituencies in which seats are reserved for the Scheduled Castes shall be distributed in different parts of the State and located, as far as practicable, in those areas where the proportion of their population to the total is comparatively large; and

(d) constituencies in which seats are reserved for the Scheduled Tribes shall, as far as practicable, be located in areas where the proportion of their population to the total is the largest.

(2) The Commission shall—

(a) publish its proposals for the delimitation of constituencies, together with the dissenting proposals, if any, of any associate member who desires publication thereof, in the Gazette of India and in the Official Gazettes of all the States concerned and also in such other manner as it thinks fit;

(b) specify a date on or after which the proposals will be further considered by it;

(c) consider all objections and suggestions which may have been received by it before the date so specified, and for the purpose of such consideration, hold one or more public sittings at such place or places in each State as it thinks fit; and

(d) thereafter by one or more orders determine—

(i) the delimitation of parliamentary constituencies, and

(ii) the delimitation of assembly constituencies,

of each State.

**10. Publication of orders and their date of operation.**—(1) The Commission shall cause each of its orders made under section 8 or section 9 to be pub-

lished in the Gazette of India and in the Official Gazettes of the States concerned.

(2) Upon publication in the Gazette of India, every such order shall have the force of law and shall not be called in question in any court.

(3) As soon as may be after such publication, every such order shall be laid before the House of the People and the Legislative Assemblies of the States concerned.

(4) Subject to the provisions of sub-section (5), the readjustment of representation of the several territorial constituencies in the House of the People or in the Legislative Assembly of a State and the delimitation of those constituencies provided for in any such order shall apply in relation to every election to the House or to the Assembly, as the case may be, held after the publication in the Gazette of India of that order and shall so apply in supersession of the provisions relating to such representation and delimitation contained in the Representation of the People Act, 1950, and the Delimitation of Parliamentary and Assembly Constituencies Order, 1966, and any final orders of the Election Commission relating to the delimitation of parliamentary constituencies or, as the case may be, of assembly constituencies of any State made in pursuance of the provisions of any other Acts.

43 of 1950.

(5) Nothing in this section shall affect the representation in the House of the People or in the Legislative Assembly of a State until the dissolution of the House or of the Assembly, as the case may be, existing on the date of publication in the Gazette of India of the final order or orders of the Commission relating to the delimitation of parliamentary constituencies or, as the case may be, of the assembly constituencies of that State and any bye-election to fill any vacancy in such House or in any such Assembly shall be held on the basis of the provisions of the laws and orders superseded by sub-section (4) as if the said provisions had not been superseded.

**11. Power to maintain delimitation orders up-to-date.**—(1) The Election Commission may, from time to time, by notification in the Gazette of India and in the Official Gazette of the State concerned,—

(a) correct any printing mistake in any of the orders made by the Delimitation Commission under section 9 or any error arising therein from an inadvertent slip or omission; and

(b) where the boundaries or name of any district or any territorial division mentioned in any of the said orders are or is altered, make such amendments as appear to it to be necessary or expedient for bringing the orders up-to-date, so however that the boundaries or areas or extent of any constituency shall not be changed by any such notification.

(2) Every notification under this section shall be laid, as soon as may be after it is issued, before the House of the People and the Legislative Assembly of the State concerned.

## The State Financial Corporations (Amendment) Act, 1972

AN

ACT

*further to amend the State Financial Corporations Act, 1951.*

Be it enacted by Parliament in the Twenty-third Year of the Republic of India as follows:—

**1. Short title.**—This Act may be called the State Financial Corporations (Amendment) Act, 1972.

**2. Amendment of section 2.**—In the State Financial Corporations Act, 1951 63 of 1951. (hereinafter referred to as the principal Act), in section 2,—

(a) after clause (a), the following clause shall be inserted, namely:—

“(aa) “Development Bank” means the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964;”;

18 of 1964.

(b) for clause (c), the following clause shall be substituted, namely:—

“(c) “industrial concern” means any concern engaged or to be engaged in—

(i) the manufacture, preservation or processing of goods;

(ii) mining;

(iii) the hotel industry;

(iv) the transport of passengers or goods by road or by water or by air;

(v) the generation or distribution of electricity or any other form of power;

(vi) the maintenance, repair, testing or servicing of machinery of any description or vehicles or vessels or motor boats or trailers or tractors;

(vii) assembling, repairing or packing any article with the aid of machinery or power;

(viii) the development of any contiguous area of land as an industrial estate;

(ix) fishing or providing shore facilities for fishing or maintenance thereof; or

(x) providing special or technical knowledge or other services for the promotion of industrial growth.

*Explanation.*—The expression “processing of goods” includes any art or process for producing, preparing or making an article by subjecting any material to a manual, mechanical, chemical, electrical or any other like operation;”.

**3. Amendment of section 4.**—In section 4 of the principal Act, in sub-section (3),—

(a) after clause (b), the following clause shall be inserted, namely:—

“(ba) the Development Bank;”;

(b) in clause (d), after the brackets and letter “(b)” the brackets and letters “,(ba)” shall be inserted.

**4. Insertion of new section 4A.** — After section 4 of the principal Act, the following section shall be inserted, namely: —

**“4A. Special class of shares.** — (1) From out of the unissued capital of the Financial Corporation, as on the commencement of the State Financial Corporations (Amendment) Act, 1972, such part as the State Government may, in consultation with the Reserve Bank, specify from time to time, shall be allocated for the issue of a special class of shares.

(2) The special class of shares so allocated under sub-section (1), shall be, —

(a) divided into such number of shares of the same face value as the State Government may, in consultation with the Reserve Bank, determine;

(b) subscribed by the State Government and the Reserve Bank and they may do so in such proportion as may be agreed upon by and between them and the Financial Corporation shall make allotment of such shares accordingly.

(3) The funds representing the capital subscribed as aforesaid shall be used only for such purposes, in such manner and for rendering assistance to such class or category of industrial concerns, as the Reserve Bank may, in consultation with and after obtaining the advice of the State Government, specify in this behalf from time to time and nothing contained in section 47 or section 48 shall apply thereto.

(4) The rate of dividend declared on the special class of shares in respect of any accounting year of a Financial Corporation shall not exceed the rate of dividend in respect of its other shares.

(5) Nothing contained in sub-sections (2) to (5) of section 4, section 5, and sub-section (1) of section 6, shall apply to the special class of shares.”

**5. Amendment of section 7.** — In section 7 of the principal Act, —

(a) in sub-section (1), for the words “and with the approval of the Central Government”, the words “based on the advice of the Reserve Bank”, shall be substituted;

(b) in sub-section (2), in clause (b), —

(i) for the words “or against bonds and debentures issued by the Financial Corporation and guaranteed by the State Government”, the words “or subject to the previous approval of the State Government, against bonds and debentures issued by the Financial Corporation” shall be substituted;

(ii) after the words “date on which money is so borrowed”, the words “and every such bond and debenture shall be guaranteed by the State Government” shall be inserted;

(iii) in the proviso, for the word “sixty”, the word “ninety” shall be substituted.

**6. Insertion of new section 7A.** — After section 7 of the principal Act, the following section shall be inserted, namely: —

**“7A. Power to transfer rights.** — The rights and interests of the Financial Corporation (including

any other rights incidental thereto) in relation to any loan or advance granted or any amount recoverable by it, may be transferred by the Financial Corporation either in whole or in part, by the execution or issue of any instrument or by transfer of any instrument by endorsement or in any other manner in which the rights and interests in relation to such loan or advance may be lawfully transferred, and the Financial Corporation may, notwithstanding such transfer, act as the trustee for the transferee”.

**7. Amendment of section 10.** — In section 10 of the principal Act, —

(a) for clause (c), the following clause shall be substituted, namely: —

“(c) one director nominated by the Development Bank;”;

(b) in clause (f), after the words “in consultation with”, the words “and after obtaining the advice of” shall be inserted.

**8. Amendment of section 11.** — In section 11 of the principal Act, in sub-section (3), for the words “for not more than two full consecutive terms”, the words “so, however, that no person elected as director shall hold office for a continuous period exceeding eight years” shall be substituted.

**9. Amendment of section 14.** — In section 14 of the principal Act, in sub-section (1), for the words “The managing director or any other director may resign his office by giving notice thereof in writing to the State Government”, the words, brackets, letters and figures “The managing director may, by giving notice in writing to the State Government, and any director elected under clause (d) or clause (e) of section 10 may, by giving notice in writing to the Chairman of the Board, resign his office” shall be substituted.

**10. Amendment of section 17.** — In section 17 of the principal Act, in sub-section (1), —

(i) to clause (a), the following proviso shall be added, namely: —

“Provided that the Board may, if in its opinion it is necessary in the public interest so to do, permit the managing director to undertake, at the request of the Central Government or the State Government or the Reserve Bank, such part-time honorary work as is not likely to interfere with his duties as managing director.”;

(ii) in clause (d), after the words “salary and allowances”, wherever they occur, the words “and be subject to other terms and conditions of service” shall be inserted.

**11. Amendment of section 18.** — In section 18 of the principal Act, in sub-section (1), in clause (a), —

(i) for the words and figures “the Industrial Finance Corporation of India established under the Industrial Finance Corporation Act, 1948” the words “the Development Bank” shall be substituted;

(ii) in the proviso, for the words “the Industrial Finance Corporation of India”, the words “the Development Bank” shall be substituted.



**12. Amendment of section 19.**—In section 19 of the principal Act, —

(a) in sub-section (3A), for the words and figures "the Industrial Finance Corporation of India established under the Industrial Finance Corporation Act, 1948", the words "the Development Bank" shall be substituted; 15 of 1948.

(b) in sub-section (4), for the words and figures "the Industrial Finance Corporation established under the Industrial Finance Corporation Act, 1948", the words "the Development Bank" shall be substituted. 15 of 1948.

**13. Substitution of new section for section 22.**—For section 22 of the principal Act, the following section shall be substituted, namely:—

"22. **Offences and agencies.**—The Financial Corporation shall establish its head office and other offices and agencies at such places as the State Government may, from time to time, specify and save as aforesaid, the Financial Corporation may establish additional offices or agencies in such other places within the State as it may consider necessary."

**14. Amendment of section 23.**—To section 23 of the principal Act, the following proviso shall be added, namely:—

"Provided that the State Government may, in consultation with and after obtaining the advice of the Reserve Bank, specify the class or categories of posts in respect of which appointments may be made by the Board on such remuneration and other conditions of service as the Board may determine, and no regulation made under this Act shall apply to such posts in respect of matters so determined by the Board."

**15. Amendment of section 25.**—In section 25 of the principal Act, —

(a) in sub-section (1), —

(i) after clause (c), the following clause shall be inserted, namely:—

"(ca) transferring for consideration any instruments relating to loans and advances granted by it to industrial concerns;"

(ii) in clause (d), —

(a) after the words "the State Government", the words "or the Development Bank" shall be inserted;

(b) for the words "in the transaction of any business with an industrial concern in respect of loans or advances granted, or debentures subscribed, by any one of them", the words "in respect of any matter connected with, or arising out of, the grant of loans or advances to an industrial concern, or subscription to debentures of an industrial concern" shall be substituted;

(iii) after clause (d), the following clause shall be inserted, namely:—

"(da) subscribing to the stocks, shares, bonds or debentures of an industrial concern from out of the funds representing the capital

subscribed in accordance with the provision of section 4A;"

(b) in sub-section (2), the words "or unless it is covered by a guarantee falling under any credit guarantee scheme framed by the Central Government or such other Government or financial institution as the Central Government may notify in this behalf" shall be inserted at the end;

(c) in sub-section (3), for the word, brackets and letter "and (c)", the brackets, letters and word "(c) and (ca)" shall be substituted;

(d) after sub-section (3), the following sub-sections shall be inserted, namely:—

"(4) Nothing contained in this section shall entitle any Financial Corporation to hold shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding thirty per cent. of the subscribed share capital of that company or thirty per cent. of its own paid-up share capital and free reserves, whichever is less.

(5) If, on the commencement of the State Financial Corporations (Amendment) Act, 1972, any Financial Corporation is holding shares in excess of the limits specified in sub-section (4), the Corporation shall report the matter forthwith to the Reserve Bank and shall, within such period as the Reserve Bank may allow, so reduce its share holdings as to conform to the provisions of that sub-section."

**16. Amendment of section 26.**—Section 26 of the principal Act shall be re-numbered as sub-section (1) thereof, and —

(a) in sub-section (1) as so re-numbered, —

(i) for the words, brackets and letters, "The Financial Corporation shall not enter into any arrangements under clauses (a) and (g) of", the words, brackets and figures "On and from the commencement of the State Financial Corporations (Amendment) Act, 1972, the Financial Corporation shall not enter into any arrangements under clause (a), (ca) or (g) of" shall be substituted;

(ii) after the words "in respect of all such arrangements", the words "together with the amount of the face value of the shares and stocks of that concern whether subscribed or agreed to be subscribed and the outstanding liabilities on account of under-writing agreements and the deferred payments guarantees" shall be inserted;

(iii) in clause (i), for the words "twenty lakhs of rupees in the case of a public limited company", the words "thirty lakhs of rupees in the case of a company" shall be substituted;

(iv) in clause (ii), for the words "ten lakhs", the words "fifteen lakhs" shall be substituted;

(b) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

"(2) Nothing contained in sub-section (1) shall apply to any transaction entered into by a Financial Corporation with any industrial concern before the commencement of the State Financial Corporations (Amendment) Act, 1972, and in relation to every such transaction, sec-

tion 26 of the principal Act shall continue to apply as if the said section had not been amended by the first-mentioned Act."

**17. Amendment of section 27.**—In section 27 of the principal Act, for sub-section (2), the following sub-sections shall be substituted, namely:—

"(2) Where any arrangement entered into by the Financial Corporation with an industrial concern provides for the appointment by the Financial Corporation of one or more directors of such industrial concern, such provision and any appointment of directors made in pursuance thereof shall be valid and effective notwithstanding anything to the contrary contained in the Companies Act, 1956, or in any other law for the time being in force or in the memorandum, articles of association or any other instrument relating to the industrial concern, and any provision regarding share qualification, age limit, number of directorships, removal of office of directors and such like conditions contained in any such law or instrument aforesaid shall not apply to any director appointed by the Financial Corporation in pursuance of the arrangement as aforesaid.

1 of 1956.

(3) Any director appointed in pursuance of sub-section (2) shall—

(a) hold office during the pleasure of the Financial Corporation and may be removed or substituted by any person by order in writing by the Financial Corporation;

(b) not incur any obligation or liability by reason only of his being a director or for anything done or omitted to be done in good faith in the discharge of his duties as a director or anything in relation thereto;

(c) not be liable to retirement by rotation and shall not be taken into account for computing the number of directors liable to such retirement."

**18. Amendment of section 28.**—Section 28 of the principal Act shall be re-numbered as sub-section (1) thereof, and—

(a) in sub-section (1) as so re-numbered,—

(i) in clause (b), after the word "clauses", the brackets and letters "(da)" shall be inserted;

(ii) after clause (c), the following clause shall be inserted, namely:—

"(d) grant any form of assistance to any industrial concern in respect of which the aggregate of the paid-up share capital and free reserves exceeds one crore of rupees."

(b) after sub-section (1) as so re-numbered, the following sub-sections shall be inserted, namely:—

"(2) The Financial Corporation shall not enter into any kind of business with any industrial concern, of which any of the directors of the Financial Corporation is a proprietor, partner, director, manager, agent, employee or guaran-

tor, or in which one or more directors of the Financial Corporation together hold substantial interest:

Provided that this section shall not apply to any industrial concern if any director of the Financial Corporation—

(i) is nominated as a director of the Board of such concern by the Government or a Government company as defined in section 617 of the Companies Act, 1956, or by a corporation established by or under any other law; or

1 of 1956

(ii) is elected on the Board of such concern by virtue of shares held in the concern by Government or a Government company as defined in section 617 of the Companies Act, 1956, or by a Corporation established by or under any other law, by reason only of such nomination or election, as the case may be.

1 of 1956

*Explanation.*—"Substantial interest" in relation to an industrial concern means the beneficial interest held by one or more of the directors of the Financial Corporation or by any relative (as defined in clause (41) of section 2 of the Companies Act, 1956) of such director whether singly or taken together, in the shares of the industrial concern, the aggregate amount paid-up on which either exceeds five lakhs of rupees or five per cent. of the paid-up share capital of the industrial concern, whichever is less.

1 of 1956

(3) The provisions of sub-section (2)—

(i) shall not apply to any transaction relating to the business entered into prior to the commencement of the State Financial Corporations (Amendment) Act, 1972, and all such business and any transaction in relation thereto may be implemented or continued as if that Act had not come into force;

(ii) shall apply only so long as the conditions precedent to such disability as set out in the sub-section continue."

**19. Amendment of section 29.**—In section 29 of the principal Act,—

(a) in sub-section (1),—

(i) after the words "of any loan or advance or any instalment thereof", the words "or in meeting its obligations in relation to any guarantee given by the Corporation" shall be inserted;

(ii) for the words "right to take over the management of the industrial concern", the words "right to take over the management or possession or both of the industrial concern" shall be substituted;

(b) in sub-section (4),—

(i) for the words "Where the management of an industrial concern is taken over by the



Financial Corporation or any property is transferred and realised by it", the words "Where any action has been taken against an industrial concern" shall be substituted;

(ii) for the words "as incidental to such management, or transfer and realisation", the words "as incidental thereto" shall be substituted;

(iii) after the words "which is received by it", the words "from such management, or transfer and realisation" shall be omitted;

(c) in sub-section (5), for the words "Where the Financial Corporation takes over the management of an industrial concern", the words "Where the Financial Corporation has taken any action against an industrial concern" shall be substituted.

**20. Amendment of section 31.** — In section 31 of the principal Act, in sub-section (1), after the words "any default in repayment of any loan or advance or any instalment thereof", the words "or in meeting its obligations in relation to any guarantee given by the Corporation" shall be inserted.

**21. Amendment of section 32.** — In section 32 of the principal Act, —

(a) in sub-section (11), in clause (b), the words "or by any judge of the principal court of civil jurisdiction" shall be inserted at the end;

(b) after sub-section (11) as so amended, the following sub-section shall be inserted, namely: —

"(12) For the removal of doubts it is hereby declared that any court competent to grant an *ad interim* injunction under this section shall also have the power to appoint a Receiver and to exercise all the other powers incidental thereto."

**22. Amendment of section 33.** — In section 33 of the principal Act, in sub-section (2), after the words, brackets and figures "the State Bank of India (Subsidiary Banks) Act, 1959", the words, figures and brackets "or in any of the banks specified in column 2 of the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970" shall be inserted.

38 of 1959.

5 of 1970.

**23. Amendment of section 35.** — In section 35 of the principal Act, sub-section (3) shall be omitted.

**24. Amendment of section 35A.** — In section 35A of the principal Act, —

(a) for the words "the State Government and the Reserve Bank", wherever they occur, the words "the State Government, the Reserve Bank and the Development Bank" shall be substituted;

(b) in the proviso to sub-section (1), for the word "ten", the word "twenty-five" shall be substituted.

**25. Amendment of section 37.** — In section 37 of the principal Act, for sub-section (1) and the proviso

thereto, the following sub-section shall be substituted, namely: —

"(1) the affairs of the Financial Corporation shall be audited by auditors duly qualified to act as auditors of companies under sub-section (1) of section 226 of the Companies Act, 1956, who shall be appointed by the State Government in consultation with the Comptroller and Auditor-General of India and the Financial Corporation shall pay to the auditors so appointed such remuneration as the State Government may fix."

1 of 1956.

**26. Amendment of section 39.** — In section 39 of the principal Act, in sub-section (1), after the words "in consultation with", the words, "and after obtaining the advice of," shall be inserted.

**27. Amendment of section 46A.** — In section 46A of the principal Act, —

(a) in sub-section (1), —

(i) for the words "and any other State", the words "and one or more other States not served in whole or in part by a Financial Corporation" shall be substituted;

(ii) for the words "should serve its needs", the words "should serve the needs of those States or of any area therein" shall be substituted;

(iii) after the words "serve the needs of those States", the words "or, as the case may be, of the area therein" shall be inserted;

(iv) the words "and any Financial Corporation or any State may enter into separate or successive agreements as aforesaid with one another or with other Financial Corporations of States and in relation to different areas of the states" shall be inserted at the end;

(b) after sub-section (1), the following sub-section shall be inserted, namely: —

"(1A) Any agreement entered into under sub-section (1) may be modified or rescinded by mutual agreement between the parties thereto and every such mutual agreement shall also provide for the apportionment of assets and liabilities."

**28. Amendment of section 48.** — In section 48 of the principal Act, for sub-section (3), the following sub-section shall be, and shall be deemed always to have been, substituted, namely: —

"(3) All regulations made under this section shall be published in the Official Gazette and any such regulation shall have effect from such earlier or later date as may be specified in the regulations."

### Notification

LD/990/72

The Constitution (Thirtieth Amendment) Act, 1972, which was recently passed by the Parliament

and assented to by the President of India is hereby published for general information of the public.

M. S. Borkar, Under Secretary (Law).

Panaji, 12th March, 1973.

# The Constitution (Thirtieth Amendment) Act, 1972

AN

ACT

*further to amend the Constitution of India.*

Be it enacted by Parliament in the Twenty-third Year of the Republic of India as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Constitution (Thirtieth Amendment) Act, 1972.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. **Amendment of article 133.**—In article 133 of the Constitution, for clause (1), the following clause shall be substituted, namely:—

“(1) An appeal shall lie to the Supreme Court from any judgment, decree or final order in a civil proceeding of a High Court in the territory of India if the High Court certifies—

(a) that the case involves a substantial question of law of general importance; and

(b) that in the opinion of the High Court the said question needs to be decided by the Supreme Court.”.

3. **Special provision as to pending proceedings, etc.**

(1) Nothing in this Act shall affect—

(a) any appeal under sub-clause (a) or sub-clause (b) or sub-clause (c) of clause (1) of article 133 of the Constitution which immediately before the commencement of this Act was pending before the Supreme Court; or

(b) any appeal preferred on or after the commencement of this Act against any judgment, decree or final order in a civil proceeding of a High Court by virtue of a certificate given by the High Court before the commencement of this Act under sub-clause (a) or sub-clause (b) or sub-clause (c) of clause (1) of article 133;

and every such appeal may be heard and disposed of or, as the case may be, entertained, heard and disposed of by the Supreme Court as if this Act had not been passed.

(2) Subject to the provisions of sub-section (1), no appeal shall lie to the Supreme Court under clause (1) of article 133 of the Constitution from any judgment, decree or final order arising out of a suit or other civil proceeding which was instituted or commenced in any court before the commencement of this Act unless such appeal satisfies the provisions of that clause as amended by this Act.

Office of the Chief Electoral Officer

## Notification

The following notification No. 56/72-XI dated 26-2-1973 issued by the Election Commission of India, New Delhi is hereby republished for general information.

B. M. Masurkar  
Chief Electoral Officer

Panaji, 13th March, 1973.

Election Commission of India

## Notification

*Ashoka Road, New Delhi-1,  
dated the 26th February, 1973*

Phalgun 7, 1894 (SAKA)

S. O.—Whereas the United Front of Nagaland, a recognised State Party in the State of Nagaland, has communicated that the name of the said party has been changed as United Democratic Front and the Election Commission has decided to give effect to the said change.

Now, Therefore, in pursuance of paragraph 17 of the Election Symbols (Reservation and Allotment) Order, 1968, the Election Commission of India hereby makes the following amendment in its Notification No. 56/72-I, dated the 1st February, 1972 published as S. O. No. 91(E) in an extraordinary issue of the Gazette of India, Part II, Section 3(ii), dated the 2nd February, 1972, namely—

In Table II, under the second column against Nagaland for entry «2. United Front of Nagaland», the entry «2. United Democratic Front» shall be substituted.

[No. 56/72-XI]

By order,

V. NAGASUBRAMANIAN  
Secretary to the Election Commission of India.

Public Health Department

## Notification

ILD/HS/2266/65

In exercise of the powers conferred by sub-section (2) of section 30 of the Pharmacy Act, 1948, (8 of 1948) the Administrator of Goa, Daman and Diu is pleased to fix 1st May, 1973 as the date on or before which applications for registration accompanied by the prescribed fee, shall be made to the Registration Tribunal.

By order and in the name of the Administrator of Goa, Daman and Diu.

P. Noronha, Under Secretary (Health).  
Panaji, 17th March, 1973.

## Government Press

## Notice

The subscribers to the Official Gazette are kindly reminded that their present subscription term ends on the 31st March, 1973, which is the close of the financial year.

In case they wish to continue to be subscribers for the ensuing financial year of 1973-74 they have to renew their subscription from 1st April next.

Subscriptions can also be opened for half-year i.e. from 1st April, 1st July or 1st October or for any quarter, beginning on 1st April, 1st July, 1st October or 1st January.

Renewal of subscription from 1st April should be effected on or before 31st March, 1973, in order to avoid interruption in the dispatch of copies of the Gazette. It should be noted that subscribers are entitled to receive copies of the Gazette only from the date the subscription rates are actually paid.

The subscription charges are accepted either in cash, money order or demand draft on State Bank of India, Panaji, in favour of the Manager/Assistant Manager, Government Printing Press, Panaji, Goa, only. Remittances by cheques or any other form of payment will not be accepted.

## SUBSCRIPTION RATES

(Including postage within Union of India)

	All 3 Series	Series I	Series II	Series III
	Rs.	Rs.	Rs.	Rs.
For any quarter .....	18-75	9-75	8-75	9-75
For half year .....	25-50	13-50	11-50	13-50
For any period exceeding 6 months upto one year	43-00	23-00	19-00	23-00

GOVT. PRINTING PRESS — GOA

(Imprensa Nacional — Goa)

PRICE — Rs. 1-20 Ps.